



Shetland Islands Council Pilot Community-Led Housing Fund Scheme Guidelines

1. Introduction

This pilot grant aid scheme is administered by Shetland Islands Council and is designed to mobilise change and deliver positive outcomes for Shetland and its communities, through increasing the provision of affordable community-led housing. The scheme seeks to support the development of housing by community groups who aim to create long-term, affordable and sustainable homes in their area, driving economic development, population growth and retention, and the continued vitality of local communities.

Community-led housing is about local people and groups taking a leading role in solving area-specific housing problems, developing homes in ways that are difficult to achieve through mainstream or commercial housing developments, leading to strong, resilient communities.

The scheme supports the aims of the Shetland Partnership Plan 2018 – 2028 and the shared vision that:

“Shetland is a place where everyone is able to thrive; living well in strong, resilient communities; and where people and communities are able to help plan and deliver solutions to future challenges”

All applicants are expected to demonstrate the need and support for their proposed project, including carrying out community engagement, and demonstrating their ability to provide long term affordable housing.

2. Who can apply?

Applications are only considered from incorporated Shetland based organisations with an open constitution or set of rules that clearly define the organisation’s aims, objectives and procedures. The following are the types of organisations who may be apply for grant assistance towards eligible projects:

- Registered charities
- Community groups
- Voluntary organisations
- Social enterprises

Applications will not be considered from:

- Individuals
- Informal or non-incorporated groups
- Private businesses
- Public sector organisations
- Organisations outwith Shetland
- Religious or political organisations

Applicants should support fair work practices including no inappropriate use of zero-hour contracts or exploitative working patterns. As a minimum, employers must follow [ACAS codes of practice](#) relating to standards of fairness in the workplace.



3. What can it fund?

Grant funding can be used towards:

- Provision of affordable new build homes
- Renovation/restoration of empty properties¹ for use as affordable homes
- Conversion of commercial and/or non-domestic buildings into affordable homes

Funds from this scheme may contribute towards the capital delivery costs of any project in the above categories. Projects must deliver residential properties and funding may not be used for other types of property development (e.g. visitor accommodation).

Purchase of property will generally **not** be considered for support but may be included in exceptional circumstances (e.g. developments in islands with small populations).

The Council will have sole discretion with regard to which costs are considered eligible for grant funding. Ineligible costs include, but are not limited to:

- Revenue costs including contribution in kind
- Recoverable VAT
- Projects which result in displacement of existing activity or may otherwise be to the detriment of existing project(s)/organisation(s) or businesses
- Any other costs deemed ineligible by the Council.

4. How much can you apply for?

The scheme can provide a grant award to fund the capital costs of delivering affordable homes, up to a maximum of **£50,000 per project**.

Only one grant will be awarded per organisation. Organisations receiving funding from SSEN will not be eligible.

Applicants must be able to demonstrate that the funding requested is necessary for the project to proceed, and that the balance of funds has been raised in a manner acceptable to the Council. At a minimum, the Council will require to see letters of commitment from the Rural and Islands Housing Fund (RIHF) and also from the Scottish Land Fund (SLF), if relevant.

Note that grant is **paid in arrears** following submission of a completed claim form with evidence of expenditure incurred and defrayed. Funding is made available for a period of up to three years after date of award. Any extension will require a refreshed submission and may not be awarded.

5. Application process

In the first instance, applicants should contact officers to discuss their proposal.

If project enquiries are deemed to be a fit to the scheme, an application form will be issued and the applicant invited to submit this for decision.

¹ Existing houses subject to an application should normally have been empty for at least six months at the point the application is submitted. There must be a reasonable expectation that the house would remain empty long term without additional funding support being made available.



Applicants will be required to provide robust supporting evidence to support their applications. Documentation and evidence which will be required to support **all applications** are:

- Governance document
- Evidence of delegated authority to accept grant awards
- Quotes or tenders for project costs
- Evidence of need and/or community support
- Evidence of permissions and consents granted
- Confirmation of match funding
- 3 years annual accounts² or a bank guarantee
- Business Plan and/or Project Plan
- Evidence of ownership of facility
- Most recent bank statement
- Any other appropriate information as requested

6. How will decisions on applications be made?

All applications received under this scheme shall be determined by the Council's Director of Development Services.³

As part of the said Director's determination of any application, the said Director may, at any time, consult with any officers or persons from whom the said Director may wish to receive advice concerning any aspect of any application received under this scheme. Those officers and persons whom the said Director may consult in this way include (but is not limited to):

- Executive Manager – Housing;
- Executive Manager – Finance;
- Executive Manager – Community Planning & Development; and
- Chief Executive of Hjalteid Housing Association.

Any determination made by the said Director shall be binding and final regardless of whether the said Director elected to consult with any officers or persons or not. No appeals against the determination of any application will be considered

7. When should you apply?

Applications must be received **at least six weeks** before a funding decision is required by the applicant.

The Council will make a decision on the outcome of any application received when it is satisfied that the applicant has provided **all information requested** in connection with the project requested.

Applicants must be able to demonstrate all necessary planning permission and consents are in place as part of their application.

² Business Plan including financial projections may be required for applicants who have been trading for less than three years.

³ References to the "Director of Development Services" include any nominee acting on his behalf.



Project start dates should take account of decision-making timescales and no project should proceed or commit funds prior to receiving a grant offer letter confirming the award of a grant.

The scheme is available until the current Council allocation of funding is committed, or 31 March 2029, whichever is the sooner.

8. Service pledges

In order to improve service delivery of the Council's grant aid schemes we have the following service pledges, which we will endeavour to meet:

- The Council will provide **accurate information** about their grant aid schemes and application procedures;
- All grant application forms received will be acknowledged **within 5 working days**;
- All applicants will receive a decision on their **completed** application **within 6 weeks** of submission;
- All applicants who have had a grant application rejected will receive a written explanation of why it was unsuccessful.

If an applicant is dissatisfied with how their application has been handled during this process, the Council's complaints procedure should be followed: [Shetland Islands Council Complaints Procedure](#)

9. Applicable legislation

Data Protection Act 2018 / Freedom of Information (Scotland) Act 2002

The information provided by you is processed in accordance with the Data Protection Act 2018 to allow us to effectively manage the Council's Grant Aid Schemes. The Data Protection Act 2018 gives you the right to know how we will use your data. Further information about how we use your personal data is available from the Grants Unit or the Council's website at <http://www.shetland.gov.uk/information-rights/DataProtection.asp>.

Please note that your information, should you be successful, will be stored by the Council for 5 years plus current year before being destroyed. The information for unsuccessful applications will be stored for 1 year plus current year before being destroyed.

Please note the Freedom of Information (Scotland) Act 2002 gives any person the right to request certain information that we hold. The Council regularly releases information about grant awards and information regarding your application may be made available to the public. Any personal information provided will be processed in accordance with the Data Protection Act 2018.

UK Subsidy Control Act 2022

The Subsidy Control Act 2022 came into force on 04 January 2023 and conferred a duty on all public authorities to ensure that any grant funding provided is consistent with the principles of subsidy control and follows requirements for transparency.

In general terms, a "subsidy" is: (1) any financial assistance given from public resources; (2) which confers an economic advantage to one or more enterprises; (3) benefitting them over other enterprises; and (4) which is capable of distorting competition. Under the Subsidy Control Act 2022 that potential impact on competition can be wholly within the UK.



The Council will assess each application separately to ensure that funding can be delivered in a subsidy compliant manner.

For further information on Subsidy Control, guidance on subsidies for beneficiaries can be found [here](#).

10. Monitoring and assessing impacts

Recipients of funding will be required to monitor delivery of their project - this could include providing regular update information, and/or project evaluations and case studies as appropriate.

The Council's Development Services Directorate will report regularly on the Fund grant scheme to the community and partners, including formal reporting to Council committees.

Projects in receipt of funding will be required to provide an end of project report and a further project evaluation one year after completion of project to demonstrate outcomes achieved.

The Fund shall be reviewed regularly to ensure outcomes and progress are closely monitored and criteria updated where necessary.

11. Reservations

Notwithstanding anything to the contrary in these scheme guidelines, the Council reserves all rights, at its sole discretion, to:

- determine that any costs whatsoever are ineligible costs for the purposes of this scheme;
- amend these scheme guidelines or discontinue this scheme (in whole or in part) at any time for any reason;
- refuse any application received under this scheme for any reason;
- approve any application received under this scheme subject to any conditions as the Council thinks fit; and
- do, or refrain from doing, anything as may be necessary to ensure the Council is, or will not be, acting contrary to the law of Scotland.

12. Contact details

Officers in the Council's Development Department directorate are available to give advice and guidance on the completion of grant applications and supporting documents as required. If you need assistance, you should contact staff at the earliest opportunity.

Development Department Directorate
c/o Solarhus, 3 North Ness Business Park
Lerwick, ZE1 0LZ
Tel: (01595) 744537

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